

EXPORT -IMPORT BANK OF THE UNITED STATES

EXPORT CREDIT INSURANCE POLICY

DISCRETIONARY CREDIT LIMIT (DCL) ENDORSEMENT

A. General Conditions

1. In this endorsement, underlined words are defined in the policy or in Section D of this endorsement.
2. The insured must comply with the conditions of the most recent Country Limitation Schedule (CLS) including limitations on the use of a DCL.
3. For letter of credit sales, the word buyer means the foreign bank issuing the letter of credit, not the importer.
4. The DCL cannot be used if a Special Buyer Credit Limit (SBCL) or an Issuing Bank Credit Limit (IBCL) is in effect under the policy for the buyer.
5. Premium is due on all reportable transactions (see policy definitions) even when credit provided to the buyer exceeds the maximum amount of the DCL.
6. All credit information requirements of this endorsement may not be older than 12 months prior to shipment and all payment experience requirements of this endorsement must be obtained within the 12 month period prior to shipment. Eximbank will require this documented information when a claim is filed.

HOW TO QUALIFY BUYER(S) UNDER DISCRETIONARY CREDIT LIMITS

The insured may qualify buyer(s) using either specific credit information (CREDIT DCL) or the insured's current payment experience (LEDGER DCL).

B. CREDIT DCL (For new buyer(s) or those who cannot qualify under the Ledger DCL).

1.	Maximum Credit DCL is:
<u>Amount</u>	<u>Payment Terms & Product(s)</u>
.&ACRDCL 1	.&TDCLDESC 1
.&ACRDCL2	.&TDCLDESC2
.&ACRDCL3	.&TDCLDESC3
.&ACRDCL4	.&TDCLDESC4

2. a) Credit DCL Information requirements.

Obtain either a favorable current credit agency report, or a favorable U.S. Department of Commerce International Company Profile which is no older than 12 months prior to shipment and evidences the buyer's ability to pay for the insured transaction.

b) Alternatives to the Credit DCL Information requirements:

LETTER OF CREDIT SALES:

Obtain a copy of a short term debt rating which is no older than 12 months prior to shipment on the issuing bank from one of the following agencies:

Standard & Poors "B" or better,
Moody's "P-3"/BFSR "D" or better,
Thompson Bankwatch "TBW-4"/"IC-D" or better,
IBCA "D" or better,
Capital Intelligence "BB-" or better.

OTHER SECURED TERM SALES, i.e., CAD, SDDP:

Obtain 1 favorable written trade reference which is no older than 12 months prior to shipment.

UNSECURED TERM SALES, i.e., O/A, SDDA, DDDA, Promissory Note:

For a HIGH CREDIT BALANCE UP TO 50% of the maximum Credit DCL:

Obtain 2 favorable written trade references which are no older than 12 months prior to shipment evidencing the buyer's payment on similar amounts and similar terms within the past 12 months.

For a HIGH CREDIT BALANCE OF \$10,000 OR LESS:

Obtain 1 favorable written trade reference which is no older than 12 months prior to shipment evidencing the buyer's payment on similar amounts and similar terms within the past 12 months.

C. LEDGER DCL (For use with buyers to whom the insured has provided insured or uninsured credit within the past 12 months).

1. Maximum Ledger DCL is:

<u>Amount</u>	<u>Payment Terms & Product(s)</u>
&ALDGDCL1	.&TDCLDESC1
&ALDGDCL2	.&TDCLDESC2
&ALDGDCL3	.&TDCLDESC3
&ALDGDCL4	.&TDCLDESC4

2. Ledger DCL requirements:

Limited to the maximum Ledger DCL, the insured can provide credit up to twice the highest amount due from the buyer within the past 12 months provided that all of the insured's payment experience with the buyer within the past 12 months was prompt for similar amounts and similar terms.

D. Definitions For purposes of this endorsement:

Secured term sales mean Letters of Credit (L/C), Cash Against Documents (CAD), Sight Draft Documents Against Payment (SDDP) and exclude cash in advance.

Unsecured term sales mean Open Account (O/A), Sight Draft Documents Against Acceptance (SDDA), Date Draft Documents

Against Acceptance (DDDA) and Promissory Notes.

Prompt payment means receipt of all amounts due from the buyer:

- for letter of credit terms, within 5 days of the due date,
- for other secured terms, within 20 days of the arrival of products at port of importation,
- for unsecured terms, within 60 days of the original due date.

Exceptions to the prompt payment definition are:

- invoice amounts of \$.&EDSTO1 or less and
- invoices which the insured and the buyer agree in writing are in dispute.

Similar terms means that:

- secured terms may only be used to justify other secured terms,
 - unsecured terms may be used to justify secured terms or unsecured terms
- and, in the case of unsecured terms, no more than 60 days longer than the longest repayment term paid promptly.

Similar amounts means amounts no less than 50% of the credit to be provided by the insured.

E. Special Conditions:

&EDSTO2
&EDSTO3
&EDSTO4
&EDSTO5

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